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Financial Statements and Report of Independent Certified Public Accountants

The Annenberg Foundation Trust at Sunnylands

June 30, 2009 and 2008

Contents

Grant Thornton

Audit • Tax • Advisory

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Report of Independent Certified Public Accountants

Board of Directors and Management
The Annenberg Foundation Trust at Sunnylands

We have audited the accompanying statements of financial position - modified cash basis of The Annenberg Foundation Trust at Sunnylands (the Sunnylands Trust) as of June 30, 2009 and 2008, and the related statements of activities - modified cash basis and cash flows - modified cash basis for the years then ended. These financial statements are the responsibility of the Sunnylands Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sunnylands Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - modified cash basis of the Sunnylands Trust as of June 30, 2009 and 2008, and the results of its activities - modified cash basis and cash flows - modified cash basis for the years then ended, on the basis of accounting described in Note A.

Grant Thornton LLP

Philadelphia, Pennsylvania

January 13, 2010

The Annenberg Foundation Trust at Sunnylands

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS

June 30,

ASSETS	2009	2008
Cash and cash equivalents	$ 18,490,112	$ 17,246,393
Prepaid expenses	468,378	205,474
Investments, at fair value	210,469,303	265,211,625
Property and equipment		
Furniture and equipment	260,334	167,498
Accumulated depreciation	(119,196)	(66,107)
	141,138	101,391
Land	15,755,000	15,755,000
Construction in progress	8,462,103	2,623,084
Total property and equipment, net	24,358,241	18,479,475
Total assets	$ 253,786,034	$ 301,142,967
NET ASSETS		
Unrestricted net assets		
Undesignated	$ 240,786,034	$ 288,142,967
Designated for Sunnylands Center construction	13,000,000	13,000,000
Total net assets	253,786,034	301,142,967
Total liabilities and net assets	$ 253,786,034	$ 301,142,967

The accompanying notes are an integral part of these statements.

The Annenberg Foundation Trust at Sunnylands

STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS

Year ended June 30,

	2009	2008
Revenues and gains (losses)		
Dividend income	$ 3,984,273	$ 4,344,450
Interest income	1,619,683	3,457,444
Net realized (loss) gain on sale of investments	(11,855,885)	5,996,135
Total realized investment (loss) income	(6,251,929)	13,798,029
Investment expenses	(1,169,403)	(1,254,866)
Net realized investment (loss) income	(7,421,332)	12,543,163
Other income	11,260,302	15,766,057
Total revenues and gains, net	3,838,970	28,309,220
Expenses		
Contributions	200	5,100
Program expenses	2,684,091	4,734,661
Center expenses	684,665	314,538
Sunnylands Estate expenses	1,175,539	4,731
Administrative expenses - Radnor	819,144	718,784
Administrative expenses - Executive Office	167,789	-
Provision for federal excise tax	97,190	446,906
Total expenses	5,628,618	6,224,720
(Deficit) excess of total revenue and gains over expenses	(1,789,648)	22,084,500
Unrealized depreciation on investments	(45,567,285)	(37,356,503)
Change in net assets	(47,356,933)	(15,272,003)
Net assets at beginning of year	301,142,967	316,414,970
Net assets at end of year	$ 253,786,034	$ 301,142,967

The accompanying notes are an integral part of these statements.

The Annenberg Foundation Trust at Sunnylands

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

Year ended June 30,

	2009	2008
Cash flows from operating activities		
Change in net assets	$ (47,356,933)	$ (15,272,003)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Disposal of fixed assets	-	74
Land donated to Trust	-	(15,755,000)
Depreciation	49,148	29,620
Realized loss (gain) on sale of investments	11,855,885	(5,996,135)
Unrealized depreciation on investments	45,567,285	37,356,503
Amortization of discounts/premiums on securities	90,277	95,943
Change in assets and liabilities		
Prepaid expenses	(262,904)	(205,474)
Net cash provided by operating activities	9,942,758	253,528
Cash flows from investing activities		
Proceeds from sale of investments	62,877,863	101,033,896
Net purchase of investments	(65,648,988)	(94,624,834)
Purchase of property, plant and equipment	(5,927,914)	(1,896,820)
Net cash (used in) provided by investing activities	(8,699,039)	4,512,242
Net increase in cash and cash equivalents	1,243,719	4,765,770
Cash and cash equivalents at beginning of year	17,246,393	12,480,623
Cash and cash equivalents at end of year	$ 18,490,112	$ 17,246,393
Supplemental disclosure of cash flow information:		
Cash paid during the year for taxes	$ 97,190	$ 446,906
Land donated to Trust	$ -	$ 15,755,000

The accompanying notes are an integral part of these statements.

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization

The Annenberg Foundation Trust at Sunnylands (the Sunnylands Trust) was created May 14, 2001 as a Pennsylvania charitable trust. On May 31, 2001, The Annenberg Foundation transferred $250 million in cash to the Sunnylands Trust. The Sunnylands Trust was granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code on July 9, 2001 and was classified as a private foundation under Section 509(a). On September 21, 2004, the Internal Revenue Service further classified the Sunnylands Trust as an operating foundation under Section 4942(j)(3), effective July 1, 2004.

On May 14, 2001, The Annenberg Foundation assigned to the Sunnylands Trust its contingent future right, title, interest and expectancy in the Declaration of Trust of Walter H. Annenberg dated June 23, 2000 (the June 23, 2000 Trust), under which Walter H. Annenberg was the sole trustee. The assets of the June 23, 2000 Trust includes all real property located in Rancho Mirage, California known as Sunnylands and certain tangible personal property located there. At Ambassador Annenberg's passing on October 1, 2002, the June 23, 2000 Trust became irrevocable and Leonore Annenberg became the sole successor trustee to Walter H. Annenberg. As a result of the death of Leonore Annenberg on March 12, 2009, all assets remaining in the June 23, 2000 Trust are, as stated in the May 14, 2001 assignment, to be distributed to the Sunnylands Trust.

2. Basis of Accounting

The financial statements of the Sunnylands Trust have been prepared on a modified cash basis. Consequently, certain revenue and related assets are recognized when collected rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and the results of activities in conformity with accounting principles generally accepted in the United States of America.

3. Use of Estimates

The preparation of financial statements on a modified cash basis requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and gains and expenses and losses during the reporting period. Actual results could differ from those estimates. The most significant estimates and assumptions relate to the determination of the alternative investment values; useful lives of fixed assets and the reported fixed values of certain of the Sunnylands Trust's assets.

4. Cash and Cash Equivalents

Cash and cash equivalents include cash, time deposits and all highly liquid debt instruments with an original maturity of three months or less.

(Continued)

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Investments

Investments are carried at fair value. Investment transactions are recorded on the settlement date. The cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is calculated using the constant yield method and is included in interest income. The Sunnylands Trust holds investment positions in various alternative investments including hedge funds, real estate funds and private equity funds. These underlying investments are recorded at estimated fair value. For alternative investments, the fair value of each investment is determined based on a review of the audited financial statements of the underlying funds and other information from independent third parties, including information provided by the fund managers, the general partners and research performed by the investment manager. Investments in such funds do carry certain risks including lack of regulatory oversight, interest rate risk and market risk. Due to the level of risk associated with these investments, it is at least reasonably possible that changes in risk factors in the near term might materially affect the amounts reported in the statements of financial position - modified cash basis.

At June 30, 2009 and 2008, alternative investments of $49,431,873 and $58,082,180, respectively, were included in the investments.

6. Property and equipment

Property and equipment are carried at cost. Expenditures for major additions and improvements are capitalized; maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

7. Tax Status

The Sunnylands Trust has been granted tax-exempt status under Internal Revenue Code (IRC) Section 501(c)(3) and is further classified as an operating foundation under IRC Section 4942(i)(3) and, accordingly, is not subject to federal income tax; however, IRC Section 4940(a), which applies to operating foundations, generally imposes a two percent excise tax on net investment income. IRC Section 4940(e) provides for a reduction of the tax to one percent if the Sunnylands Trust makes sufficient qualifying distributions. During fiscal 2008, the Sunnylands Trust did not meet the requirements to qualify for the reduced one percent federal income tax. Therefore, taxes were calculated at two percent of net investment income for fiscal 2008. During fiscal 2009, the Sunnylands Trust made sufficient qualifying distributions to qualify for the reduced one percent tax.

(Continued)

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Concentration of Credit Risk

Financial instruments that potentially subject the Sunnylands Trust to concentrations of credit risk consist principally of cash equivalents and investments. At times, the Sunnylands Trust's cash may be in excess of the Federal Deposit Insurance Corporation limit of $250,000. The Sunnylands Trust manages the credit risk associated with cash equivalents and investments by investing the preponderance of its portfolio with high quality banking institutions, U.S. corporations and U.S. government obligations. The Sunnylands Trust has not experienced any losses as a result of the nonperformance by the custodians and investment managers of its cash equivalents or investments. Further, the Sunnylands Trust believes that it is not exposed to any significant credit risk that will result in a loss in the future.

9. Adoption of New Accounting Standards

Fair Value Measurements

On July 1, 2008, the Sunnylands Trust adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*, which was issued by the Financial Accounting Standards Board (FASB) in September 2006. The Sunnylands Trust also adopted on July 1, 2008, and thereafter the FASB Staff Positions (FSPs) related to SFAS No. 157. SFAS No. 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and requires additional disclosures about fair value measurements. The new definition of fair value focuses on the price that would be received to sell the asset or paid to transfer the liability between market participants at the measurement date (an exit price). An exit price valuation will include margins for risk even if they are not observable. SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels (Level 1, 2 and 3). The Sunnylands Trust applied the provisions of SFAS No. 157 prospectively to financial assets and financial liabilities that are required to be measured at fair value under existing U.S. GAAP. Upon adoption of SFAS No. 157, the Sunnylands Trust did not record a cumulative effect adjustment of applying SFAS No. 157 to net assets, as the Sunnylands Trust already had previously recorded its assets and its liabilities at fair value.

On September 30, 2009 the FASB issued Accounting Standards Update (ASU) 2009-12 *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. In accordance with ASU 2009-12, an entity is permitted, as a practical expedient, to estimate the fair value of an investment using the net asset value per share (or its equivalent) if the net asset value per share of the investment is calculated in a manner consistent with the measurement principles of the FASB guidance for investment companies as of the reporting date. ASU 2009-12 also requires expanded disclosures about redemption restrictions, unfunded commitments and the investment strategies of the investees. The major category of investment is required to be determined on the basis of the nature and risks of the investment in a manner consistent with the guidance for major security types in U.S. GAAP on investments in debt and equity securities.

(Continued)

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

ASU 2009-12 is effective for periods ending after December 15, 2009. Early application is permitted in financial statements that have not been issued. If the measurement amendments are early adopted, the entity is permitted to defer the adoption of the disclosure provisions. The Sunnylands Trust adopted the provisions of this update for the year ended June 30, 2009, but has elected to defer the disclosure requirements as permitted.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities.* SFAS No. 159 permits companies to choose to measure certain financial instruments and other items at fair value that are not currently required to be measured at fair value. SFAS No. 159 became effective for the Sunnylands Trust on July 1, 2008. The Sunnylands Trust chose not to elect the fair value option for its financial assets and liabilities existing at July 1, 2008, and did not elect the fair value option for financial assets and liabilities transacted in the year ended June 30, 2009. Accordingly, the adoption of SFAS No. 159 did not have any effect on the financial statements of the Sunnylands Trust.

10. Pending Accounting Pronouncements

In December 2008, the Financial Accounting Standards Board issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises.* FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation 48 (Interpretation 48), *Accounting for Uncertainty in Income Taxes,* to its annual financial statements for fiscal years beginning after December 15, 2008. The Trust has elected to defer the application of Interpretation 48 for the year ending June 30, 2009. The Sunnylands Trust evaluates its uncertain tax positions using the provisions of FASB Statement 5, *Accounting for Contingencies.* Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

NOTE B - INVESTMENTS

The investment objective for the Sunnylands Trust's investment portfolio is to preserve and enhance its real (inflation-adjusted) value while providing a relatively predictable, stable and constant stream of earnings to fund trust programs and operations.

Investments held as of June 30 were as follows:

	2009		2008	
	Market value	Cost basis	Market value	Cost basis
Equities	$ 159,754,818	$ 176,685,194	$ 155,776,609	$ 138,102,152
Fixed income	1,282,612	3,937,295	51,352,836	53,064,761
Alternative investments	49,431,873	65,203,659	58,082,180	63,403,659
	$ 210,469,303	$ 245,826,148	$ 265,211,625	$ 254,570,572

(Continued)

NOTE B - INVESTMENTS - Continued

Net realized gains (losses) on the sale of investments for the years ended June 30, 2009 and 2008 were ($11,855,885) and $5,996,135, respectively. Net unrealized (losses) or gains of investments for the years ended June 30, 2009 and 2008 were ($45,567,285) and ($37,356,503), respectively.

NOTE C - CONTRIBUTIONS AND AGREEMENTS

On February 1, 2005, the Sunnylands Trust entered into an Administrative Services Agreement (2005 Agreement) with the University of Pennsylvania. Under the 2005 Agreement, the Sunnylands Trust commits to expend $23,939,970 for programs administered with the support of the University of Pennsylvania's Annenberg Public Policy Center. Timing of the payments under the 2005 Agreement is not fixed. The 2005 Agreement terminates at the end of the fiscal quarter in which total expenditures reach $23,939,970. During fiscal 2009, the Trust reclassified $1,014,004 in grant payments that were previously considered payments toward the 2005 agreement. The initial payments were reflected as contributions in the statement of activities - modified cash basis, and there is no effect from this reclassification on the statement of activities - modified cash basis. At June 30, 2009, the Sunnylands Trust's remaining obligation under the 2005 Agreement was $3,058,255. During the years ended June 30, 2009 and 2008, distributions under the 2005 Agreement were $2,732,919 and $4,853,114, respectively.

NOTE D - GRANTS

The Annenberg Foundation entered into a $125 million grant agreement with the Sunnylands Trust on July 7, 2004. On August 10, 2006, this agreement was revised under an Amended and Restated Grant Agreement. It is anticipated that approximately $40 million of the grant shall be used by the Sunnylands Trust to build a Visitor Center on a portion of the real estate known as Sunnylands in Rancho Mirage, California with the remainder of the grant added to the Sunnylands Trust's investment portfolio. During the planning, design and construction phases for the Visitor Center, the Foundation will make quarterly advance payments to the Sunnylands Trust for the third party costs incurred in connection with the Visitor Center. Upon completion of the construction of the Visitor Center, or on November 30, 2010, whichever comes first, the Foundation shall remit one-third of the remaining balance of the grant, followed by an additional third one year later. The final third will be received a year after the second payment. At June 30, 2009 and 2008, construction in progress consists of costs capitalized on the design and construction costs of the Center. In August 2008, Sunnylands Trust received $5 million from the Annenberg Foundation related to this agreement. A second installment of $6.2 million was received on January 2009. Subsequent to year end, the Sunnylands Trust received the third, fourth and fifth installments related to this agreement. These installments totaled $10.9 million.

NOTE E - 403(b) SAVINGS PLAN

The Annenberg Foundation sponsors a 403(b) plan covering administrative employees of the Foundation located in the Pennsylvania, California and Washington, D.C. offices. The Sunnylands Trust became a participating employer in this 403(b) plan effective December 1, 2003. On January 1, 2009, the Sunnylands Trust adopted its own 403(b) plan. Under this new plan and once employees meet eligibility and accrual requirements, the Trust makes quarterly contributions equal to 100% of the participant's contributions that are not in excess of 7% of the participant's compensation. During the years ended June 30, 2009 and 2008, the Sunnylands Trust paid contributions to the plans of $20,269 and $14,793, respectively.

NOTE F - LEASES

The Sunnylands Trust leases office space in Radnor, Pennsylvania. Future minimum payments under this operating leases consist of the following:

Fiscal year ended June 30:	
2010	$ 57,536
2011	66,259
2012	66,259
2013	66,259
2014	66,259
	$ 322,572

The Sunnylands Trust amended the lease on October 10, 2008. With this amendment, as of June 30, 2011 and on each anniversary thereof, the Trust has the option to terminate the lease agreement for its office space in Radnor, Pennsylvania by providing not less than ten months prior written notice to landlord and paying the termination fee as stipulated in such amendment

In addition, the Sunnylands Trust leases office space in Rancho Mirage, California. Future minimum payments under this operating lease consist of the following:

Fiscal year ended June 30:	
2010	$ 43,464
2011	33,325
	$ 76,789

Rent expense was $66,929 and $58,292 as of June 30, 2009 and 2008, respectively.

NOTE G - FAIR VALUE MEASUREMENTS

In accordance with SFAS No. 157, the Sunnylands Trust has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the hierarchy under SFAS No. 157 are described below:

Level 1 Financial assets and liabilities whose values are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Financial assets and liabilities whose values are based on one or more of the following:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in non-active markets;
3. Pricing models whose inputs are observable for substantially the full term of the asset or liability; or
4. Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level 3 Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Both observable and unobservable inputs may be used to determine the fair value of positions that the Sunnylands Trust has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within the Level 3 category presented in the tables below may include changes in fair value that were attributable to both observable (e.g., changes in market interest rates) and unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

A review of the fair value hierarchy classifications is conducted on an annual basis. Changes in the type of inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in/out of the Level 3 category as of the beginning of the year in which reclassifications occur.

(Continued)

NOTE G - FAIR VALUE MEASUREMENTS - Continued

The following table presents information about the Sunnylands Trust's assets and liabilities measured at fair value on a recurring basis as of June 30, 2009 and indicates the fair value hierarchy of the valuation techniques utilized by the Sunnylands Trust to determine such fair value.

Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Cash and cash equivalents	$ 18,490,112	$ -	$ -	$ 18,490,112
Investments				
Equities	95,014,047	63,819,851	920,920	159,754,818
Fixed income	-	576,607	706,005	1,282,612
Alternative investments	-	14,747,060	34,684,813	49,431,873
Total investments	95,014,047	79,143,518	36,311,738	210,469,303
Total assets	$ 113,504,159	$ 79,143,518	$ 36,311,738	$ 228,959,415

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

	Fair value measurements (Level 3)
Balance, June 30, 2008	$ 42,819,533
Net purchases and transfers	1,800,000
Unrealized investment loss, net	(7,913,862)
Management, incentive fees and other	(393,933)
Balance, June 30, 2009	$ 36,311,738

(Continued)

NOTE G - FAIR VALUE MEASUREMENTS - Continued

The following provides a brief description of the types of recurring financial instruments the Trust holds, the methodology for estimating fair value, and the level within the hierarchy of the estimate:

1. Cash and Cash Equivalents

Cash and cash equivalents are recurring fair value measurements. This category includes cash and highly liquid investments with a maturity of three months or less. These are considered Level 1 inputs.

2. Investments

Equities: These investment values are based on quoted market prices in markets and are classified as Level 1, 2 or 3 inputs based on the market that the instrument trades.

Fixed Income: Funds designed to add value above the return of the broad U.S. bond market over a full market cycle and reduce the risk in comparison to that of investing in the index. The underlying investments are valued at closing prices reported on the active market; these items are considered Level 2 or 3 inputs.

Alternative Investments: Funds designed to outperform the S&P index over a full market cycle, while also providing some protection during down markets. Valued at net asset value as provided by the fund manager, these funds are considered Level 2 or 3 inputs based on the nature of the underlying investments.

NOTE H - SUBSEQUENT EVENTS

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events*, to incorporate the accounting and disclosure requirements for subsequent events into U.S. GAAP. SFAS No. 165 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the statement of financial position date. The Trust adopted SFAS No. 165 as of June 30, 2009, which was the required effective date.

The Trust evaluated its June 30, 2009 financial statements for subsequent events through January 13, 2010, the date the financial statements were available to be issued. The Trust is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE I - COMMITMENTS

Commitments related to construction-in-progress projects were approximately $22,513,474 at June 30, 2009.